

ACCUWRIGHT INDUSTRIES, INC.
STANDARD TERMS AND CONDITIONS

SALES ORDERS

1. SALE AND PURCHASE TERMS

1.1 These Standard Terms and Conditions govern the sale by ACCUWRIGHT INDUSTRIES, INC. (referred herein as "Seller") and you (referred herein as "Buyer") for the purchase of the products, services, machinery, parts, goods and other materials (herein referred to as the "Products") identified on the Accuwright Sales Order.

1.2 Accuwright's sale of the Product is conditioned upon your acceptance of all terms and conditions contained herein. YOU ARE HEREBY NOTIFIED OF ACCUWRIGHT'S OBJECTION TO AND REJECTION OF ANY ADDITIONAL OR DIFFERENT TERMS IN YOUR PURCHASE ORDER, OTHER FORMS OR DOCUMENTS.

1.3 The effective date of the parties' (Buyer & Seller) agreement (the "Effective Date") shall be the date that the Seller receives from the Buyer's written acceptance via Buyer's Purchase Order or signed Quote Letter of the Sales Quote and/or Order and these Standard Terms and Conditions. On the Effective Date, the Sales Order and these Standard Terms and Conditions together shall be legally binding and have full force and effect and constitute the agreement of the parties (the "Agreement").

2. EFFECT OF THESE TERMS AND CONDITIONS

2.1 Upon the Effective Date, all former understandings, former proposals and writings are hereby deemed to be superseded by the Agreement and are hereby terminated and canceled and are merged into the Agreement. The parties acknowledge and agree that there have been and are no inducements to contract, no representations made for the purpose of inducing a contract, and no considerations other than those expressly set forth in the Agreement.

2.2 The Agreement expresses the complete and final understanding of the parties with respect to the subject matter thereof and shall not be altered, modified or changed in any way except by an instrument in writing signed by duly authorized representatives of the parties.

2.3 In case of conflict between the terms and conditions of the Agreement and the terms and conditions of any other document, including the Buyer's purchase order, the terms and conditions of the Agreement shall govern.

3. PAYMENT TERMS; TAXES

3.1 All payments made to Accuwright Industries Inc. for the Products sold under the Agreement shall be made to the address as set forth in the Sales Invoice thirty (30) days of the date of the invoice. All

payments shall be made without setoff or retention. Late payments shall be subject to interest on the unpaid balance at the highest rate permitted by law up to one and one-half percent (1.5%) per month.

3.2 Accuwright may add to any invoice and you shall pay an amount equal to any applicable taxes in connection with the Products or Services sold, including state and local sales and use taxes.

4. WARRANTY

4.1 PRODUCT WARRANTY: ACCUWRIGHT INDUSTRIES INC. warrants its repairs and labor services from date of factory shipment to be free from defects in material or workmanship for three (3) months on services performed ONLY.

Accuwright warrants its products shall conform in all material respects with the drawings, specifications and accepted industry standards furnished by the Buyer at time of purchase. If no drawings or specifications are provided by the Buyer at time of purchase, Accuwright will use the industry standard to interpret tolerances, assembly details, and fabrication techniques to manufacture the Product. If the Product is not in good working order or fails to conform in all material respects, within reason, with such specifications during the Warranty Period, you are entitled to the remedies described below.

4.2 REMEDIES; PROCEDURES; LIMITATIONS: Accuwright agrees only to repair or replace at its own expense, F.O.B. Gilbert Arizona, any part or parts of the product found to be defective in material or workmanship, provided Accuwright is notified of such defect or defects within the applicable warranty period and given a reasonable time to correct the defect. In no case shall any warranty extend to defects in materials, components, or services furnished by third parties. If any repairs or alterations are made by anyone other than an entity authorized by Accuwright, customer shall pay for such repairs or parts without recourse against Accuwright, and Accuwright shall be relieved of responsibility for fulfillment of this warranty with respect to such repairs, alterations, or replacements so made. Accuwright's obligations under this warranty shall at all times be subject to its then current warranty procedures.

4.3 THE WARRANTY OF ACCUWRIGHT INDUSTRIES, INC. SET FORTH IN PARAGRAPH 4.1 IS EXCLUSIVE AND IS GIVEN BY ACCUWRUGHT AND ACCEPTED BY YOU IN LIEU OF ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE (WHETHER KNOWN TO ACCUWRIGHT OR NOT). ALL SUCH OTHER WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED BY ACCUWRIGHT AND WAIVED BY YOU.

4.4 EXCLUSIVE REMEDIES: The Seller's sole liability to the Buyer for breach of the limited warranty contained in Paragraph 4.1 and the Buyer's exclusive remedies for any such breach shall be the remedies set forth in Paragraph 4.2. The Seller shall have no other liability to the Buyer in connection with the Product, whether claimed in contract, equity, tort (including negligence, gross negligence or strict liability) or otherwise, for or resulting from any Products provided or any errors or omissions.

5. R&D (Research and Development)

From time to time a request for R&D will be made to develop materials, parameters, and processes. In each case the development shall be considered to be performed on a "BEST-CASE-SENERIO" and the IP or "Intellectual Property" shall be "Shared" only when the paying customer pays for the time and materials of such a test of R&D. In all cases an NDT will be required to protect both parties. When R&D processes are discovered without a P.O. and payment of said services, IP shall be considered solely owned by Accuwright Industries, Inc.

6. DISCLAIMER OF CONSEQUENTIAL DAMAGES

Notwithstanding anything to the contrary herein, the Seller disclaims and shall not be liable for any special, incidental, indirect, or consequential damages (or equivalents thereof no matter how claimed, computed or characterized), arising out of or in connection with the Agreement, its subject or its performance or breach of performance by the Seller, regardless of whether any such liability shall be based upon breach of contract, tort (including negligence, gross negligence and strict liability), violation of law or otherwise and whether the claim is brought at law or in equity. By way of example of the foregoing disclaimer, but without limiting in any manner its scope or application, the Seller shall not be liable for all or any part of the following losses, costs or expenses, no matter how claimed, computed, or characterized: lost profit or revenue, lost return on investment, cost of capital, lost operating time or production, lost reduced use or value of any facilities (including existing facilities) or any portion of any facilities, expense of replacement products or power, or increased costs of operations or maintenance. The foregoing disclaimer shall be effective without regard to the Seller's performance or failure or delay of performance under any other term or condition of the Agreement, including, without limitation, those contained in Paragraph 4. This disclaimer shall be enforceable whether or not any limitation of remedies described herein is deemed to have failed in its essential purpose.

7. FORCE MAJEURE

Any loss, damage, or delay in, or failure of, performance by the Seller shall not constitute a default under the Agreement or give rise to any claim for damage if such loss, damage, delay, or failure is attributable in whole or in part to any cause or causes beyond the reasonable control of the Seller. These causes may include, without limitation, any act of God or the public enemy; compliance with any order, decree, or request of any governmental authority; act of declared or undeclared war; public disorder; rebellion; sabotage; fire; flood; explosion; accident; riot; strike; labor difficulty or other concerted act of workmen, whether direct or indirect; declaration of national emergency; mobilization of industry whereby material and labor required for manufacture of the Product are allocated or controlled; or any other cause not within the control of the Seller or which the Seller is unable to avoid by exercise of reasonable care. Upon any such occurrence, the estimated time for delivery of the Equipment shall be extended for a time which is reasonable in relation to the cause of such event.

8. DELIVERY

8.1 DELIVERY: The Seller agrees to cause the Product to be shipped per the Buyer's direction (F.O.B: Origin) in accordance with general industry practice, and to cause the Product to be loaded on the carrier selected by the Buyer on the delivery date identified in the Sales Quote and/or Order. The Buyer shall make arrangements for the carrier and shipment of the Product, including freight, duty, taxes and export/import fees. The Seller (F.O.B. Destination) will cause the Product to be shipped to Buyer in accordance with general industry practice when so stated on the Sales Quote and/or Order at time of purchase.

9. SECURITY INTEREST

The Seller reserves and the Buyer hereby grants a purchase money security interest in the Product, all additions, accessions and replacements thereto, products and proceeds to secure payment by you. The security interest is retained by the Seller until you have paid in full for the Product pursuant to Paragraph 3. The Seller may file, at the Buyer's expense, financing statements pursuant to the Uniform Commercial Code to perfect or evidence the Seller's security interest.

10. RISK OF LOSS

The Seller shall bear risk of loss until the Product shall come to rest aboard the carrier at the shipping point defined in each Sales Quote and/or Order. Thereafter the Buyer shall bear risk of loss.

11. WAIVER

Waiver by either party of any breach by the other party of any of the terms or provisions of the Agreement shall not be deemed to be a waiver of breach on any other occasion of the same terms or provisions, or a waiver of breach of any other term or provision hereof.

12. CONFIDENTIAL AND PROPRIETARY INFORMATION; OWNERSHIP

The Buyer agrees, as does the Seller, to adhere to normal confidentiality and secrecy standards and practices with respect to all information received from each other except information which (a) at the time of its disclosure is in the public domain, (b) after disclosure becomes part of the public domain by publication or otherwise through no fault of the party bound to keep such information confidential, (c) which either the Buyer or Seller can show was in its possession at the time of disclosure or received by such party after disclosure from the third party who did not require the Buyer or Seller to hold it in confidence and did not acquire it from the other party under an obligation of secrecy. Upon termination, each party will return all written information and software received under the Agreement from the other. The parties agree to maintain the confidentiality of all such information and take all appropriate measures to do so such as, but not limited to, informing all persons having access to such information of its confidential nature.

13. INDEPENDENT CONTRACTOR STATUS

Nothing in the Agreement is intended to create any association, partnership, joint venture or other relationship between the parties. The Seller shall not be responsible for any intended use of the Product unless disclosed in writing at time of purchase.

14. ASSIGNMENT

Neither the Agreement nor any interest herein shall be assigned or transferred by either party thereto without prior consent of the other party. Subject to the foregoing, the Agreement shall inure to the benefit of and be binding upon the successors, legal representatives, and permitted assigns of the parties thereto.

15. GOVERNING LAW

The Agreement, its administration and performance, and all the rights, obligations, liabilities and responsibilities of the parties thereto, shall be governed by and interpreted in accordance with the laws of the State of Arizona, without regard to Arizona conflict of laws principles.

16. HEADINGS, SEVERABILITY, NO THIRD PARTY BENEFICIARIES

16.1 Any headings preceding the text of any articles, paragraphs or parts of the Agreement are inserted solely for convenience of reference and are not to be considered a part of the Agreement nor shall they affect in any manner the meaning, interpretation or effect of the Agreement.

16.2 The Agreement shall be severable such that the invalidity or unenforceability of any portion or provision of the Agreement shall in no way affect the validity or enforceability of any other portion or provision. The balance of the Agreement shall be construed and enforced as if it did not contain such invalid or unenforceable portion or provision.

16.3 The Seller does not intend to give anyone other than the Buyer the benefit of, and no person or entity shall be a third-party beneficiary of these Standard Terms and Conditions.

17. SURVIVAL

The provisions of Paragraphs 3, 4, 5, 11, 15 and this Paragraph 16 shall survive indefinitely the termination of the Agreement for any reason